



**Iowa Alternative Incremental Research Activities Credit**

Name(s)	Social Security No.
Name of Partnership or S Corporation (if applicable)	Federal ID No.

1. Basic research payments paid or incurred to qualified organizations in Iowa ..... 1. \_\_\_\_\_
2. Iowa apportioned qualified organizations base amount ..... 2. \_\_\_\_\_
3. Subtract line 2 from line 1 (not to be less than zero) ..... 3. \_\_\_\_\_
4. Multiply line 3 by 20% ..... 4. \_\_\_\_\_
5. Wages for qualifying research services performed in Iowa ..... 5. \_\_\_\_\_
6. Cost of supplies used in conducting qualifying research in Iowa ..... 6. \_\_\_\_\_
7. Rental or lease costs of personal property used in conducting qualifying research  
in Iowa ..... 7. \_\_\_\_\_
8. 65% of contract expenses for qualifying research performed in Iowa ..... 8. \_\_\_\_\_
9. Total Iowa qualified research expenses (add lines 5 through 8) ..... 9. \_\_\_\_\_
10. Enter average annual gross receipts  
Add year 1, year 2, year 3, and year 4 \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ + \_\_\_\_\_ Subtotal \_\_\_\_\_ ÷ 4  
..... 10. \_\_\_\_\_
11. Multiply line 10 by 1% ..... 11. \_\_\_\_\_
12. Subtract line 11 from line 9 (not to be less than zero) ..... 12. \_\_\_\_\_
13. Multiply line 10 by 1.5% ..... 13. \_\_\_\_\_
14. Subtract line 13 from line 9 (not to be less than zero) ..... 14. \_\_\_\_\_
15. Subtract line 14 from line 12 ..... 15. \_\_\_\_\_
16. Multiply line 10 by 2% ..... 16. \_\_\_\_\_
17. Subtract line 16 from line 9 (not to be less than zero) ..... 17. \_\_\_\_\_
18. Subtract line 17 from line 14 (not to be less than zero) ..... 18. \_\_\_\_\_
19. Multiply line 15 by 1.65% (multiply by 3.3% if research conducted in  
an enterprise zone or if taxpayer has a New Jobs and Income Contract) ..... 19. \_\_\_\_\_
20. Multiply line 18 by 2.2% (multiply by 4.4% if research conducted in  
an enterprise zone or if taxpayer has a New Jobs and Income Contract) ..... 20. \_\_\_\_\_
21. Multiply line 17 by 2.75% (multiply by 5.5% if research conducted in  
an enterprise zone or if taxpayer has a New Jobs and Income Contract) ..... 21. \_\_\_\_\_
22. Total allowable Iowa Alternative Incremental Research Activities Credit  
(add lines 4, 19, 20 and 21) ..... 22. \_\_\_\_\_

**Special Instructions**

Form 128A is used *only* if the taxpayer elects to use the alternative incremental research activities credit. The alternative credit is available for tax years beginning on or after January 1, 2000. Form 128 should be used if the regular research activities credit is claimed. The taxpayer may elect to use this alternative method regardless of the method used in computing the federal research activities credit. This option is for Iowa purposes and is effective only for the current tax year. The taxpayer is not required to use this alternative method in computing the research activities credit for subsequent years.

**Lines 1, 2, 5, 6, 7, and 8** - Enter only that portion of the qualifying research expenses that occurred in Iowa.

**Line 10** - Enter the average annual Iowa gross receipts for the four tax years before the year in which the credit is being determined. You may be required to annualize gross receipts for any short tax year.

**Lines 19, 20, and 21** - If research activities are conducted in an enterprise zone, as set forth in Iowa Code Section 15E.186, the higher percentages can be used to determine the credit.